



JOSEPH R. BIDEN, III
ATTORNEY GENERAL

DEPARTMENT OF JUSTICE
820 NORTH FRENCH STREET
WILMINGTON, DELAWARE 19801

CONTACT JASON MILLER
PUBLIC INFORMATION OFFICER
PHONE (302) 577-8949
CELL (302) 893-8939
Jason.Miller@state.de.us

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Delaware announces settlement with Eli Lilly for improper marketing of Zyprexa

The Delaware Department of Justice announced today that it has reached a proposed settlement with Eli Lilly and Company to settle allegations that the company engaged in a marketing campaign that improperly promoted its anti-psychotic drug, Zyprexa. Under the proposed settlement, Eli Lilly will pay the states and the federal government a total of \$800 million in civil damages and penalties to compensate Medicaid and other federal healthcare programs. Based on the Delaware Medicaid Program's utilization of the drug, Delaware's share of the civil settlement will be \$602,000, which will be split between the State Medicaid Program and the State's General Fund.

"Unscrupulous marketing practices harm consumers," stated Timothy Mullaney, Director of the Delaware Department of Justice Fraud and Consumer Protection Division. "Through this agreement we're taking action to ensure compliance with the law and protect taxpayer dollars."

Between September, 1999 and December, 2005 Eli Lilly promoted the sale and use of Zyprexa, an antipsychotic medication used to treat certain psychological disorders, for "off-label" uses which the Food and Drug Administration had not approved, such as the treatment of depression, anxiety, irritability, disrupted sleep, nausea and gambling addiction. Eli Lilly promoted Zyprexa to psychiatrists and primary care physicians and also provided money and other items of value to health care professionals. As a result of these promotional activities, physicians prescribed Zyprexa for children and adolescents, dementia patients in long term care facilities, and in unapproved dosage amounts, all of which are uses that were not medically accepted indications for which state Medicaid programs would approve reimbursement.

As part of the settlement, Eli Lilly will also enter a Corporate Integrity Agreement with the United States Department of Health and Human Services, Office of the Inspector General, which will closely monitor the company's future marketing and sales practices.

A National Association of Medicaid Fraud Control Units (NAMFCU) team participated in the investigation and conducted the settlement negotiations with Eli Lilly on behalf of the states. The Delaware representative on the NAMFCU team, Deputy Attorney General Daniel R. Miller, also serves as President of the National Association of Medicaid Fraud Control Units.

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